## Supplemental Retirement Plans Your 457 Deferred Compensation Program

Deferred Compensation seeks to provide "Extra" money you need for a more enjoyable and comfortable retirement lifestyle.

### What is Deferred Compensation?

- Voluntary, IRS-approved retirement savings plan
- Pre-Tax and Tax Deferred build retirement savings for tomorrow and reduce today's taxes (income taxes are due in the year in which the money is withdrawn usually during retirement when you are in a lower tax bracket)
- Under Section 457 of the IRS, you may defer each year a maximum of 100% of your "gross compensation" or an annual dollar limit, whichever is less. The dollar limit for 2009 is \$16,500
- · Contributions are conveniently made through payroll deductions so your taxes are reduced each pay period
- Plans allow you to increase, decrease, stop and restart contributions as often as you wish, without fees or penalties

#### **Benefits of Deferred Compensation**

- · Reduce current income taxes while investing for retirement
- · Earnings accumulate tax-deferred
- Dollar cost average through convenient payroll deduction
- 50 or older or within 3 years of normal retirement age you are allowed to make additional "catch-up" contributions
- It's portable if you change jobs you can consolidate your savings in another public sector employer's 457 plan, a
  qualified 401 plan, a tax sheltered 403b annuity plan, or traditional IRA
- If you retire or leave service early, there is no penalty for withdrawal
- · Supplemental investments are helpful for those employees where no contribution is made to social security
- Deferred compensation accounts can be used to purchase withdrawn service, military service and air time with PERA

#### **Contact your Plan Representative for more information.**

Your Benefits Department offers these Deferred Compensation Providers:

What's the best way to invest your savings?
How much do you need for retirement?
How do you protect your money from market volatility?

# **Need someone to talk to?**

Get face-to-face answers.

For more than half a century, we have been providing expertise, guidance and the kind of personal relationship other companies don't provide – a face – someone to help you plan for and enjoy a secure retirement. Let's talk.

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Your Benefits Department offers these Deferred Compensation Providers continued:



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